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INFO RUEHEE/ARAB LEAGUE COLLECTIVE IMMEDIATE

RUCNRAQ/IRAQ COLLECTIVE IMMEDIATE

RUCNISL/ISLAMIC COLLECTIVE IMMEDIATE

RUEHGB/AMEMBASSY BAGHDAD IMMEDIATE 0043

RUEHRH/AMEMBASSY RIYADH IMMEDIATE 6607

RUEAIIA/CIA WASHDC IMMEDIATE

RHEHAAA/NSC WASHDC IMMEDIATE

RHEHAAA/WHITE HOUSE WASHINGTON DC IMMEDIATE

S E C R E T SECTION 01 OF 04 JEDDAH 000449

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DEPARTMENT FOR NEA/ARPI

E.O. 12958: DECL: 07/03/2016

TAGS: PGOV PINR PREL PTER SA

SUBJECT: AMBASSADOR KHALILZAD DISCUSSES IRAN, DETAINEES AND IRAQI RECONCILIATION PLAN WITH SAUDI FOREIGN MINISTER

REF: REF A: RIYADH 5042 REF B: RIYADH 5079

Classified By: Ambassador James C. Oberwetter for reasons 1.4 (b) and (d).

¶1. (U) PARTICIPANTS:

U.S.

Ambassador Khalilzad

Ambassador Oberwetter

Consul General Gfoeller

Special Assistant Hutchings

PolOff Dale (notetaker)

Saudi Arabia

Prince Saud Al Faisal, Foreign Minister

¶2. (S) Summary: During their June 27 meeting, Ambassador to Iraq Zalmay Khalilzad and Saudi Minister of Foreign Affairs Prince Saud Al-Faisal discussed the new Iraqi government, the recently announced Iraqi national reconciliation plan, detainees, and the continuing destabilizing influence of Iran in Iraq. Ambassador Khalilzad reiterated earlier requests for the Kingdom's political and economic assistance to help stabilize and reconstruct Iraq, and contain Iran's influence among Iraqi Shi'a. End Summary.

New PM is Strong Leader

¶3. (S) Meeting on June 27 in Jeddah, Ambassador Khalilzad briefed Saudi Foreign Minister Prince Saud Al-Faisal on Iraq's ongoing security challenges, new Iraqi Prime Minister Nouri al-Maliki's national reconciliation plan, Saudi detainees in Iraq, and Iraqi requests for reconstruction assistance. Ambassador Khalilzad informed the FM that things are moving in the right direction in Iraq. Ambassador Khalilzad stated that PM Maliki is more skilled, is more of an Arab, and has a better understanding of what needs to be done to improve Iraq's relations with the Arab world than his predecessor. He added that although PM Maliki faces difficult issues, he is already reaching out to build a bridge of cooperation with the international community. The Foreign Minister agreed that PM Maliki is far better suited to lead Iraq than his predecessor.

¶4. (S) Ambassador Khalilzad asked on behalf of PM Maliki if the SAG would be willing to send an aircraft to bring him to the Kingdom for his planned July 1 visit. Ambassador Khalilzad explained that PM Maliki felt that the SAG would send a strong message of support for the new government if the SAG were to facilitate his travel. Prince Saud responded, "I am sure that this will not be a problem. He is welcome here."

PM Maliki Concerned about Increasing Iranian Interference

¶5. (S) Ambassador Khalilzad explained that PM Maliki and his government continue to express grave concern about Iran's interference in Iraq, particularly in Basra and Baghdad. PM Maliki relayed to Ambassador Khalilzad that Iran was "trying to send a message that Iraq will be unable to stabilize itself without Iran's assistance."

¶6. (S) The FM responded that the situation in Iraq has changed for the better with the advent of the newly elected government. However, the FM cautioned that it would not be wise to hold the upcoming meeting of Iraq's neighbors in Tehran because it would send the wrong message of justifying Iranian interference in Iraq.

US Shares Evidence of Iranian Interference with Iraq

¶7. (S) Ambassador Khalilzad informed the FM that the USG recently shared information with the new Iraqi government

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confirming Iranian interference in Iraq. The FM immediately interjected stating that the SAG had made the same request, but had heard nothing in response. Ambassador Khalilzad promised that USG representatives would contact the SAG shortly to present the evidence.

SAG Views Reconciliation Plan as Positive Step

¶8. (S) Ambassador Khalilzad next turned to the recently announced Iraqi national reconciliation plan. He explained to the FM that PM Maliki was reaching out for support for his new plan, and that the National Assembly will reconsider the De-Baathification Commission. Prince Saud commented that he thought the plan was a "tremendous initiative." He added that it was critical that anyone appointed to lead a new De-Baathification Commission be someone who is "independent" and willing to work only for a united Iraq. The FM said that the SAG was happy to provide assistance, and that it was important that PM Maliki fully explain his plan to the King during their upcoming meeting. (Comment: King Abdullah strongly advocates reintegrating former Baathists into the new Iraqi government, and he has raised the matter recently with USCENTCOM Commander General Abizaid and Under Secretary of Defense Edelman (Ref A). End Comment.)

Iraq and UN to Develop International Compact

¶9. (S) Ambassador Khalilzad informed the FM that Iraq and the UN are jointly working on an international compact designed to re-integrate Iraq into the international community in exchange for Iraqi commitments to limit corruption and promote rule of law and good governance. Ambassador Khalilzad also explained that the UN and Iraq are discussing forming a steering committee that will include members from countries that have contributed assistance to Iraq's reconstruction efforts. Ambassador Khalilzad informed the FM that the steering committee would probably

hold its first meeting either July 12 or 17, and that PM Maliki was seeking wide participation from Arab nations. The Iraqis prefer to hold the meetings in Baghdad, but PM Maliki asked Ambassador Khalilzad to see if the SAG would be willing to host the meeting, should security concerns preclude the SAG and others from visiting Iraq at senior levels. Ambassador Khalilzad explained that PM Maliki was trying to send a strong message that Iraq is reaching out to its Arab neighbors.

¶10. (S) Prince Saud commented that he had not spoken with the UNSG about this initiative, but would be more than happy to listen to PM Maliki's ideas. He added that it would be important for PM Maliki to explain clearly what Iraq wants from this meeting. Ambassador Khalilzad said that the goal of the steering committee meeting is to secure assistance for reconstruction and Iraq's transition back into the international community, eventually leading to a donors' conference. Ambassador Khalilzad also informed Prince Saud that Treasury Deputy Secretary Kimmitt would be the USG lead on this initiative, and would likely visit the Kingdom in the near future to discuss details with the Saudis. The FM responded that he would consult his government on this matter. He expressed his confidence that PM Maliki will solve many of the problems that have plagued Iraq.

SAG Standing by to Provide Assistance

¶11. (S) Prince Saud informed Ambassador Khalilzad that the SAG stood ready to implement loan assistance, but had not heard anything from Iraq. Ambassador Khalilzad assured the FM that the SAG would soon see improved movement from the new Iraqi government.

USG to Release Saudi Prisoners in Iraq

¶12. (S) Ambassador Khalilzad raised the issue of Saudi

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d detainees in Iraq. He informed the FM that, assuming the Iraqis agreed, the USG had decided to allow the return of 59 Saudis to the Kingdom if the SAG made the request of the Iraqis. The FM responded that the SAG would do so, adding that the Saudi prisoners were of no use to anyone and were a burden on Iraq's security. He said, "Here, we can talk to them." Ambassador Khalilzad requested the FM to send a diplomatic note via the US Embassy to facilitate the transfer. (Comment: On June 6 U/S for Defense Edelman and Assistant Minister of Interior Prince Muhammad bin Naif discussed the need for the SAG and Iraq to devise an extradition agreement for the transfer of Saudi prisoners (Ref B). End Comment.)

Upcoming Provincial Elections

¶13. (S) Ambassador Khalilzad told the FM that minimal Sunni participation in the last provincial elections had resulted in provincial councils that were not representative of Iraqi communities. He said we need to encourage all communities to participate in the next election for provincial councils. Ambassador Khalilzad expressed his desire to discuss this issue further with Prince Muqrin, the chief of the General Intelligence Presidency, who has done extensive work on this subject.

¶14. (S) Prince Saud responded that Prince Muqrin was indeed well versed on this subject and the appropriate contact for Ambassador Khalilzad. He added that the SAG had developed a resourceful contact in Grand Ayatollah Ali Al-Sistani, and believed he was the man with whom to deal. The FM commented

that Sistani is old, but that the SAG hopes that he will stay on.

FM's Trip to Tehran

¶15. (S) Ambassador Khalilzad next asked the FM about his recent trip to Iran, and how he assessed Iran's level of influence in Iraq. He inquired about what measures the FM would recommend to systematically "contain" Iran's influence in Iraq. Prince Saud responded that he had traveled to Iran to discuss Iraq and nuclear proliferation issues. He stated that Iran and the SAG agreed to establish a bilateral committee to discuss "issues of difference." The FM stated that King Abdullah had contacted Iran recently to voice his displeasure with Iran's interference in both Iraq and Syria.

The FM told Ambassador Khalilzad that the SAG is preparing a list of agenda items for the next Saudi-Iranian bilateral committee meeting, which is scheduled to happen "very soon." Ambassador Khalilzad stated that he would push for USG officials to brief the SAG on evidence of Iranian interference in Iraq.

FM Discusses Nuclear Proliferation with Iranians

¶16. (S) While in Iran, Prince Saud said he was surprised to find that the person most favorably disposed to finding a solution to the nuclear issue was President Ahmadinejad. The FM stated that he discussed his talks with President Bush and the Iraqi FM with President Ahmadinejad. Prince Saud said that he indicated to the Iranians that there was common ground on the P5 1 proposal and Iran's position, and that both sides were continuing to rely on non-proliferation provisions in an effort to steer away from a crisis towards normal discussions based on items to which both sides adhere.

The FM also stated that he had anticipated that the Iranians would delay their decision on the proposal, and felt that if the EU3 stayed together, the negotiations had a chance to succeed.

¶17. (S) The FM offered a second explanation on Iran's behavior. Calling it the North Korea example, the FM said that the Iranians may think it is in their interest to first obtain nuclear weapons to improve their bargaining position, then negotiate a settlement. He reasoned that Iran may have

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learned a lesson from observing interactions between the USG and North Korea, observing that the USG threatened North Korea up until the point it possessed nuclear weapons capability, and then was forced to negotiate. It was his opinion that Iran will continue to negotiate (or delay), but will not stop its nuclear development.

Comment

¶18. (S) The SAG appears to now be more optimistic on Iraq, and the FM acknowledged the recent positive developments. The FM's relative confidence in PM Maliki and the SAG's willingness to engage the new government, including providing financial assistance, are encouraging, but such goodwill could be fleeting if PM Maliki does not quickly form a strong relationship with the Saudi leadership. The SAG remains deeply concerned about Iran's activities in Iraq and is likely to condition its support for the new Iraqi government on the extent to which it takes concrete steps to minimize Iranian influence. End Comment.

Gfoeller